

whats next?  
INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION  
NRF LOSS PREVENTION 2009

## Building on Exception Based Reporting

Art Silva – Ann Taylor Stores Corporation  
Shannon Stilwell – Kohl's Corporation  
David Johnston – LP Innovations

KOHL'S | ANN TAYLOR | LP | EBRgroup.net

---

---

---

---

---

---

---

---

whats next?  
INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION  
NRF LOSS PREVENTION 2009

## Exception-Based Reporting

- Important tool in the “LP tool kit”
- Various formats in use
  - 3<sup>rd</sup> Party LP centered applications
  - 3<sup>rd</sup> Party Data Analytic Tools
  - In-house Development
- Original Intent to the Industry
  - Primarily the detection of internal theft

KOHL'S | ANN TAYLOR | LP | EBRgroup.net

---

---

---

---

---

---

---

---

whats next?  
INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION  
NRF LOSS PREVENTION 2009

## The Right Approach

- EBR can and should be holistic in its use.
  - Focused on business initiatives
  - Beyond case detection and POS data alone
- EBR is a concept, not only a specific application.

KOHL'S | ANN TAYLOR | LP | EBRgroup.net

---

---

---

---

---

---

---

---



---

---

---

---

---

---

---

---

whats next?  
INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION  
NRF LOSS PREVENTION 2009

INSIGHT Department Management

- **Understand Company Objectives**
  - Partner with other departments
  - Understand the cultural and business impacts
- **Develop the Department Strategy**
  - Define primary and secondary functions
  - Ensure the team has the proper resources

KOHL'S | ANN TAYLOR | LP | EBR

---

---

---

---

---

---

---

---

whats next?  
INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION  
NRF LOSS PREVENTION 2009

INSIGHT Department Management

- **Continued Education**
  - Personal education of products/services
  - Training for team members
- **Communication**
  - Short and long term objectives
  - Expectations of each member

KOHL'S | ANN TAYLOR | LP | EBR

---

---

---

---

---

---

---

---

whats next? INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION NRF LOSS PREVENTION 2009

**INSIGHT** Field/Store Presence

- **Improved Workflow & Efficiencies**
  - Data-driven Decisions (see Figure 1)
  - Precision follow-up
- **Culture Impact & Awareness**
  - Contest Validation (see Figures 2 and 3)
  - Control Business Abuse

KOHL'S | ANN TAYLOR | LP | EBRgroup.net  
expect great things STORES CORPORATION

---

---

---

---

---

---

---

---

whats next? INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION NRF LOSS PREVENTION 2009

**INSIGHT** Field/Store Presence

- **Impacting Effectiveness of Systems**
  - Systemic changes supported for POS
  - Identifying new targets or risks for EBR
- **Extending EBR**
  - Sales Metrics/Scorecards/Letter Campaigns (see Figure 4)
  - Sales Conversions (see Figure 5)

KOHL'S | ANN TAYLOR | LP | EBRgroup.net  
expect great things STORES CORPORATION

---

---

---

---

---

---

---

---

whats next? INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION NRF LOSS PREVENTION 2009

**INSIGHT** Administrator / Analyst

- **Understand the System**
  - Features, Functionality, Full Capabilities
  - Know how to build, modify and read reports
- **Understand the Data**
  - Know your data inputs and structure
  - Understand your technical environment (see Figure 6)

KOHL'S | ANN TAYLOR | LP | EBRgroup.net  
expect great things STORES CORPORATION

---

---

---

---

---

---

---

---

whats next? INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION NRF LOSS PREVENTION 2009

**INSIGHT** Administrator / Analyst

---

- **Learn**
  - Get out in the field to “understand the data”
  - Continue your education (business)
- **Network**
  - Peer groups (internal and external)
  - Other departments and functions

KOHL'S | ANN TAYLOR | LP | EBRgroup.net  
expect great things STORES CORPORATION

---

---

---

---

---

---

---

---

---

---

---

whats next? INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION NRF LOSS PREVENTION 2009

**ACTION** Department Management

---

- **Vision**
  - Capture, measure & manage data
  - Ongoing development
- **Promote**
  - Heighten Awareness
  - Program objectives & System improvements

KOHL'S | ANN TAYLOR | LP | EBRgroup.net  
expect great things STORES CORPORATION

---

---

---

---

---

---

---

---

---

---

---

whats next? INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION NRF LOSS PREVENTION 2009

**ACTION** Department Management

---

- **Measure**
  - Executive Audit Committees
  - Lead Interactions with other Departments
- **Perform**
  - Expand Capabilities (staff and systems)
  - EBR Dividends

KOHL'S | ANN TAYLOR | LP | EBRgroup.net  
expect great things STORES CORPORATION

---

---

---

---

---

---

---

---

---

---

---

whats next?  
INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION  
NRF LOSS PREVENTION 2009

**ACTION** Field / Store Presence

---

- **Validation of the Tool**
  - Identify data issues or concerns
  - Provide necessary focus from the "reality"
- **Drive Results**
  - Timely investigation / resolution
  - Provides a focused approach to field work (See Figure 7)

KOHL'S | ANN TAYLOR | LP | EBRgroup.net  
expect great things | STORES CORPORATION | PROVISIONS |

---

---

---

---

---

---

---

---

whats next?  
INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION  
NRF LOSS PREVENTION 2009

**ACTION** Field / Store Presence

---

- **Develop New Approaches**
  - How can EBR make the field more efficient
  - Create reports to bring new areas of review
- **Build Business Relationships**
  - Use EBR data for Positive/Proactive approach
  - Use the reports and data with Operations

KOHL'S | ANN TAYLOR | LP | EBRgroup.net  
expect great things | STORES CORPORATION | PROVISIONS |

---

---

---

---

---

---

---

---

whats next?  
INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION  
NRF LOSS PREVENTION 2009

**ACTION** Administrator/Analyst

---

- **Streamline the Output**
  - Make the data actionable
  - Identify and remove "normal" business anomalies
  - Data should be taking "Rifle Shots" at shortage

KOHL'S | ANN TAYLOR | LP | EBRgroup.net  
expect great things | STORES CORPORATION | PROVISIONS |

---

---

---

---

---

---

---

---

whats next? INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION NRF LOSS PREVENTION 2009

**ACTION** Administrator/Analyst

- **Analyze and Tweak Reports/Rules**
  - Is it still pulling as it was designed?
  - Has the business changed?
  - Look for more efficient ways of processing
- **Development of High Level Reporting**

KOHL'S | ANN TAYLOR | LP | EBRgroup.net

---

---

---

---

---

---

---

---

whats next? INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION NRF LOSS PREVENTION 2009

**Technology** Leading Edge? or Outer Edge?

- **Solution Driven**
  - Challenge Enterprise integration
  - Innovative business partners
- **Predictive Analysis/Reporting**
  - What's happening right now?
    - "On the Go" Technology
  - What's going to happen and where? (see Figure B)
    - Predictive, Proactive, Preventative technology

KOHL'S | ANN TAYLOR | LP | EBRgroup.net

---

---

---

---

---

---

---

---

whats next? INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION NRF LOSS PREVENTION 2009

**Technology** Breaking Down Barriers

- **Dare to Share**
  - Review with other retailers
  - The next technology might not be in LP
- **Forward Thinking**
  - Technology should not stand still
  - You don't have to be an analyst to analyze

KOHL'S | ANN TAYLOR | LP | EBRgroup.net

---

---

---

---

---

---

---

---

**whats next?**  
INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION  
NRF LOSS PREVENTION 2009

<b>Point of Sale</b> Employee Theft External Theft Cash Discrepancies	<b>Finance / Sales Audit</b> Charge Backs Bad Check Reporting Gift Cards / Credits
<b>Systems Management</b> Digital Video Case Management Alarm / EAS Management	<b>SKU / Inventory</b> Cycle Counts Margin Analysis Inventory Variance
<b>Operations</b> Sales Productivity Training / Systemic Issues Policy / Procedures	<b>Non-Retail Merchandise</b> E-Commerce Catalogs Supply Chain

**Exception Based Reporting**

---

---

---

---

---

---

---

---

**whats next?**  
INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION  
NRF LOSS PREVENTION 2009

### Learning & Networking

- Industry Support Group
- Run by Retail LP Professionals
- EBR / System Agnostic
- Monthly Group Calls / Presentations
- Discuss Best Practices / Queries / Trends

**EBRgroup.net**  
Making the Most of your LP System

**KOHL'S** | **ANN TAYLOR** | **LP** | **EBRgroup.net**  
expect great things | STORES CORPORATION | *innovations* | Creating the Next Level of Loss Prevention

---

---

---

---

---

---

---

---

**whats next?**  
INSIGHT, ACTION, & TECHNOLOGY IN LOSS PREVENTION  
NRF LOSS PREVENTION 2009

### Appendix

The following slides provide examples of reports and graphs displayed during the actual presentation.

**KOHL'S** | **ANN TAYLOR** | **LP** | **EBRgroup.net**  
expect great things | STORES CORPORATION | *innovations* | Creating the Next Level of Loss Prevention

---

---

---

---

---

---

---

---



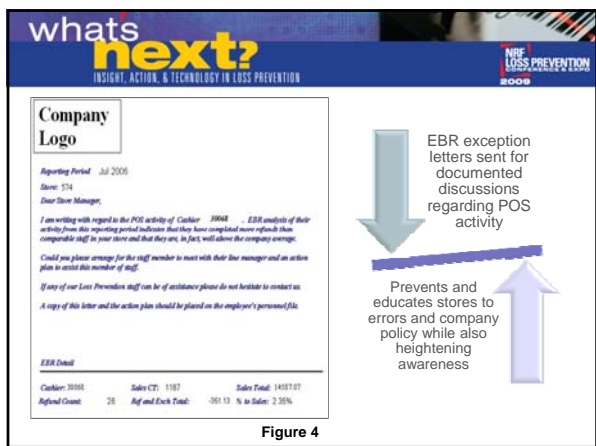


Figure 4

---

---

---

---

---

---

---

---

---

---

---

---

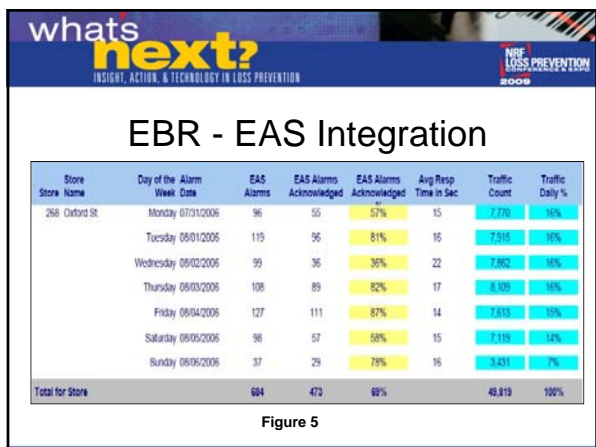


Figure 5

---

---

---

---

---

---

---

---

---

---

---

---

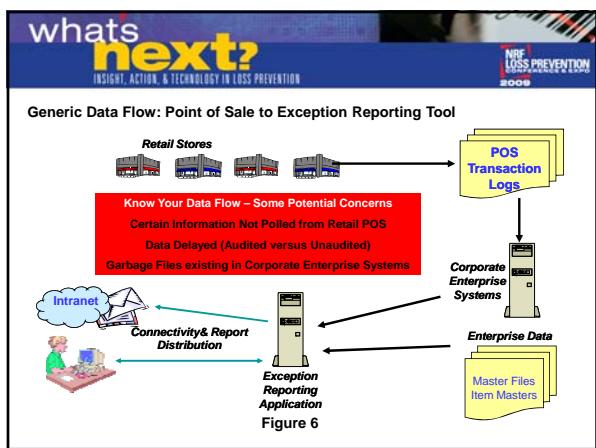


Figure 6

---

---

---

---

---

---

---

---

---

---

---

---

